

Top Secret

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NATIONAL INTELLIGENCE DAILY CABLE

Thursday September 2, 1976 CI NIDC 76-207C



NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

State Dept. review completed

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National Intelligence Daily Cable for Thursday September 2, 1976.

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The NID Cable is for the purpose of informing senior US officials.

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LEBANON: Situation Report

25X1 [] Lebanese president-elect Sarkis met with Syrian President Asad for five hours during his one-day visit to Damascus on Tuesday. Neither side has issued a statement on the substance of their talks, although Sarkis has been quoted as calling Syria's role in Lebanon "positive."

25X1 [] Damascus radio emphasized that the two leaders stressed the need to continue Syria's "effort to establish peace" in Lebanon until the conflict is ended. Damascus radio also talked about the need to preserve Lebanon's independence and unity, but this probably is not sufficiently unambiguous to mollify those Lebanese on both sides who suspect Syria of planning to annex portions of their country.

25X1 [] Beirut's leftist radio said Sarkis asked the Syrians for a pledge to withdraw their forces so he can begin working on a solution. It is likely that Sarkis has told Asad that such a pledge is necessary if he is to have any chance of governing Lebanon.

25X1 [] The leftist version of the meeting also said that Sarkis presented Asad with his own solution to the Lebanese conflict. Sarkis supposedly advocated reconciliation among all of the key participants in the Lebanese conflict, but we have no information about any concrete proposals he may have made.

25X1 [] The leftists' account suggests that Sarkis may be pushing a step-by-step approach to reconciliation that would concentrate on the more moderate parties on both sides first, and only at the end bring in the extremists.

25X1 [] It also suggests that Sarkis may be trying to separate the Syrian-Palestinian problem from the Lebanese conflict itself. He is known to believe that the Lebanese cannot begin to resolve their own difficulties until the Syrians and the Palestinians have worked out some kind of accommodation.

25X1 [] A second meeting between Asad and Sarkis apparently will take place soon, although no date has been set.

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[] The leftist "central political council"--a loose left-wing coalition headed by Kamal Jumblatt--announced on Tuesday plans to establish its own "foreign office" with branches in France, Bulgaria, Libya, Egypt, and Cyprus to deal with information, economic, and political affairs. The council also announced the formation of a bureau of finance and a new 2,000-man security force.

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[] The military situation has been relatively calm. The Christians say that they have advanced near Majdalaya in the north. The Syrians are continuing to consolidate their forces around Uyun al-Siman in the mountains east of Beirut and near Jazzin in the south. We are still unable to confirm leftist charges that the Syrians have sent additional troops into these areas.

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[] There were clashes in the commercial district of Beirut again yesterday, and the leftists are saying that they have made a successful foray into Ayn Rummanah.

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TURKEY: Sismik I Renews Operations

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[] Turkey announced yesterday the fourth area of operation for its research ship the Sismik I. The latest mission, which began yesterday and is to continue through September 25, is likely to heighten Greek-Turkish tensions again.

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25X1 [] According to a Turkish navy announcement, the Sismik I will avoid Greek territorial waters during this mission. The area of operation delineated in the announcement, however, encompasses substantial portions of the Greek-claimed continental shelf--some of it west of Greek islands along the Turkish coast. The area comes close at one point to the Greek mainland and includes zones where Greece and Turkey have granted overlapping oil concessions.

25X1 [] //The new Turkish move seems certain to delay the bilateral negotiations tentatively set for mid-September by the Greek and Turkish foreign ministers following last week's UN resolution on the Aegean.

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25X1 [] //Greece also is unlikely now to look with favor on the Turkish demand that the Greeks withdraw their application to the International Court of Justice for adjudication of Aegean seabed problems before negotiations begin. The Greeks had informed the Turks earlier this week they would be willing to ask the Court to set the matter aside pending bilateral talks. Athens completed its presentation to the Court last Saturday.//

25X1 [] //Both sides will be alert to the possibility of incidents arising from the activities of the Sismik I and a Greek naval exercise in the northern Aegean, which is scheduled to continue through September 12.//

25X1 [] Most Greek and Turkish military forces are believed to be at about normal levels of readiness. In the wake of yesterday's announcement, Greece and Turkey probably will increase the alert status of some military units.

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LIBYA: Qadhafi's Speech

25X1 [] Libyan President Qadhafi, in a speech on the seventh anniversary of his coup, announced last night that he would not break diplomatic relations with Egypt.

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[redacted] Despite his threat a month ago to break relations if Egypt did not cease its military build-up on the border, Qadhafi asserted that the Libyan people had urged him not to do so. He would not have hesitated to make the break had the decision been his, he said, but Libya's "democratic system" took the decision out of his hands.

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[redacted] Qadhafi made his remarks about Egypt in the course of a long, self-congratulatory exposition on the popularity of his revolution. The speech seemed designed to convince Egypt and any possible Egyptian-backed coup plotters that his regime is too soundly based to be toppled.

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[redacted] Qadhafi reserved some harsh comments for Egyptian President Sadat, noting that Sadat had "stooped to a point that I would be ashamed to describe in Arabic," but the speech otherwise was generally conciliatory. He said he bears Sadat no personal grudge and, referring directly to Egypt's military threats, said that Libya would never use its military strength against Egypt, although it is capable of doing so.

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[redacted] He announced the release of three Egyptians recently arrested in Libya on charges of spying for Egypt, and he did not expel or otherwise threaten Egyptian workers in Libya, as he had reportedly been planning to do.

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[redacted] Qadhafi was clearly trying to avoid provoking Egypt into taking either military or political action against him. The Libyans are in fact more concerned about the possibility of Egyptian action than Qadhafi's breezy dismissal of the danger would indicate, [redacted]

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[redacted] Qadhafi may not believe that his passive approach will necessarily deter the Egyptians, but by adopting this approach he portrays himself to the Libyan people and the other Arab states as the reasonable party to the dispute and Sadat as the unprovoked aggressor. [redacted]

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NAMIBIA: Independence Date Set

25X1 [] The leading white politicians in Namibia have accepted December 31, 1978, as a target date for the territory to be fully independent from South Africa, but they still appear to oppose the UN demand for a popular election before independence.

25X1 [] The annual congress of the Namibian branch of the ruling National Party last week approved the steps toward independence proposed in the multiracial constitutional conference that the South Africans convened last September in Windhoek, the territorial capital. On August 18 a committee of the conference set the date for independence and also called for an interim government to be established after the basic framework for a constitution has been agreed upon.

25X1 [] The party congress showed disapproval of proposals designed to meet the criteria for Namibian independence set forth by the UN Security Council. The primary UN criterion is that the present constitutional conference, composed of unelected delegations from the territory's tribal and other ethnic groups, be replaced by a constituent assembly elected under UN supervision.

25X1 [] On Tuesday, according to press reports, a committee of the constitutional conference agreed in principle to a proposal made by non-white delegates calling for an election before December 31, 1978, in the presence of UN observers--but not under their supervision. This attempted compromise apparently was shelved after the conservative chairman of the Namibian branch of the National Party expressed reservations.

25X1 [] South African Prime Minister Vorster has not taken a public stand on any of the proposed steps toward independence, although he has stated that he will not block any measure that is approved by the whole conference.

25X1 [] The US embassy in Pretoria believes Vorster may take no action until after his meeting with Secretary Kissinger this weekend and after consultations with the party leadership that are scheduled for September 10.

25X1 [] There has been speculation in the South African press
that Vorster will urge the white settlers in Namibia to accept
at least some proposals from the non-whites before the UN Security Council resumes consideration of Namibia on September 22.

25X1 []
USSR: Views on Southern Africa

25X1 [] Soviet media are stressing developments in southern Africa, particularly in Namibia. The passing of the August 31 deadline set by the UN Security Council for concrete steps toward Namibian independence prompted increased criticism of South Africa and its "imperialist" supporters.

25X1 [] The Soviets have replayed South-West African People's Organization and Western criticism of South Africa's plan for eventual Namibian independence, which the Soviets say is "unacceptable" and designed to "perpetuate the occupation of Namibia." The Soviets warned that the struggle for genuine independence has entered the decisive stage and that the armed struggle will intensify under the guidance of SWAPO.

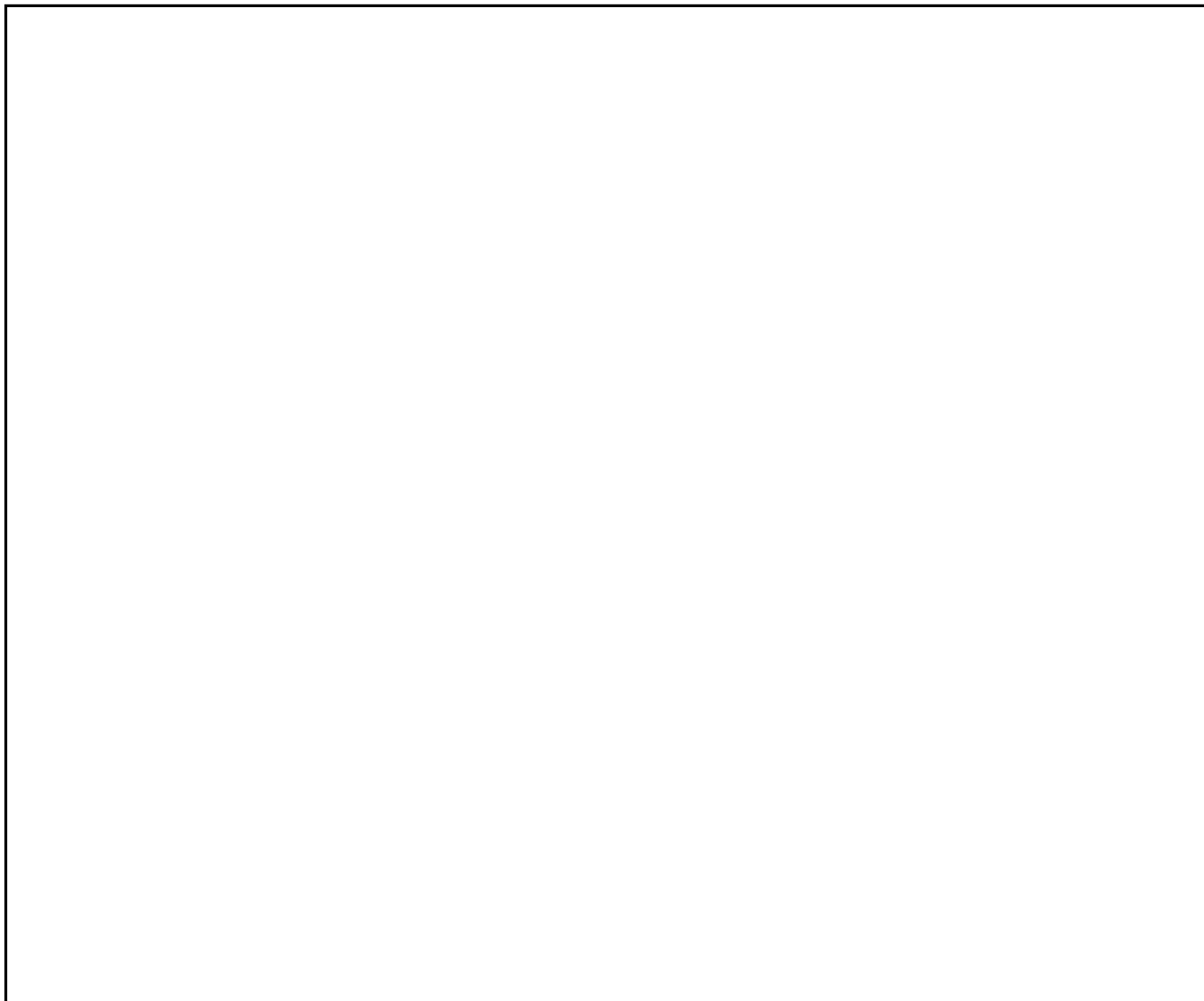
25X1 [] Sam Nujoma, president of SWAPO, said in a press interview that he needs arms and ammunition to carry on the fight, but that he was satisfied with his recent visit to Moscow. According to diplomatic sources in Moscow, Nujoma requested and was granted additional military aid. Regarding Cuban assistance, Nujoma said that SWAPO is not planning to follow Angola's example in using forces from outside the country but added that "the Cubans are our friends and we expect them to give assistance."

25X1 [] While playing up the militant line, the Soviets have repeated Nujoma's assertion that he is willing to negotiate directly with South Africa. In contrast, the Soviets have attacked recent US and Western efforts to encourage negotiated settlements of southern African conflicts. Soviet attacks on these efforts, which it characterizes as a ploy to preserve traditional imperialist control of the rich natural resources of the region, seem to indicate Soviet concern that such initiatives may be successful. []

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ARGENTINA: Rightist Abuses

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[REDACTED] Leading Argentines are becoming increasingly outspoken in condemning right-wing abuses of the government's anti-terrorist campaign.

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[] The US embassy reports that it is hearing criticism from a wide range of political figures, churchmen, journalists, and even civil servants. Many were content to see the military come to power in March but are now distressed at right-wing violence. They are alarmed that the government still has not accounted for a large number of prisoners, and the recent upsurge in indiscriminate killings has convinced many that they have more to fear from the right than from leftist guerrillas.

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[] Despite expressions of concern in many circles, there is no organized campaign being mounted against the government, and expressions of criticism have been cautious.

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[] The leader of the country's second largest political party recently signed a declaration that condemned the disappearance of two leading members of the party but only indirectly indicated the party's belief that the security forces were responsible.

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[] Both have since been released, according to a communique. The church is said to be convinced that security officials were responsible for the recent deaths of five priests alleged to be leftists and is less inclined to be conciliatory toward the junta than before the papal nuncio strongly protested the killings.

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[] President Videla may be trying to curtail abuses. Rumored military reassignments, for example, would shift two so-called "hard-liners" out of their troop command positions. Moreover, a presidential spokesman last week assured the US embassy that the perpetrators of the murder of 30 alleged leftists the weekend before would be punished. []

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MEXICO: Echeverria Outlines Float Policy

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[] Mexican President Echeverria yesterday outlined new government policies to back up Tuesday's decision to float the peso.

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[] He proposed strict government fiscal responsibility to eliminate excess spending and cut the budget deficit without reducing needed investment in public facilities, industry, and social services. To protect consumer purchasing power, Echeverria called for price controls on essential goods, export and excess profits taxes, reduction of tariffs on raw materials and some other items, and special tax breaks for those who will suffer most from the effects of the depreciation.

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[] To protect the value of the peso from excessive erosion, the national bank will intervene where necessary, relying on foreign exchange reserves of \$1.4 billion and drawing rights totaling another \$1 billion with the International Monetary Fund and other international financial sources.

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[] The Mexicans hope these measures will hold the line on import prices, domestic inflation, and severe capital flight while bolstering export receipts, especially tourist earnings.

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